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only file  
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# HADDON, MORGAN & FOREMAN, P.C.

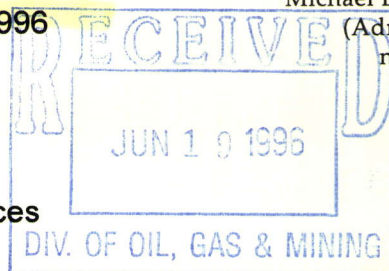
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June 14, 1996



Mr. Lowell Braxton  
Associate Director, Mining  
State of Utah Department of Natural Resources  
Utah Division of Oil, Gas and Mining  
55 West North Temple  
3 Triad Center-Suite 350  
Salt Lake City, Utah 84180-1203

Re: Western States Minerals Corporation--Drum Mine

Dear Mr. Braxton:

I have for the last several years represented Western States Minerals Corporation in a Colorado lawsuit related to the Drum Mine in Delta, Millard County, Utah. As you probably know, the Colorado litigation concerned whether Jumbo Mining and ASOMA had assumed responsibility for reclamation at the Drum Mine when they purchased the mine from Western in 1988. The result of that litigation, in two trials in 1992 and 1994, was to validate completely Western's position: the Colorado court determined that all of Western's reclamation responsibility at the Drum Mine had been assumed by Jumbo and ASOMA when the mine was sold. The court specifically ordered those entities forthwith to take the steps necessary to finalize the transfer to them of the operating permit and to fully assume the reclamation required under that permit. The Court's order specifically requires that Jumbo and ASOMA post an appropriate reclamation surety with your agency sufficient to cover all reclamation at the Drum Mine. The order is in effect today - no stay has been requested by any party. The Colorado order and judgment have been filed in Utah's courts, and Western has provided your agency with copies of the orders and judgments.

Two full years have elapsed since the decision of the Colorado court. In that period of time, the remaining portion of Western's operating permit has not been transferred to Jumbo and ASOMA. Not a single dollar of bond has been posted with the State of Utah to ensure reclamation will be performed by the owners, Jumbo and ASOMA, on those portions of the mine that remain under Western's permit. It would not appear that DOGM has done anything that would facilitate the transfer of the permit to Jumbo and ASOMA, despite the decision of the Colorado court and Western's urging, in anything approaching a reasonable time frame.



Mr. Lowell Braxton

Associate Director, Mining

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release is accomplished within 45 days of this letter, Western will file a petition before the Board of Oil, Gas and Mining demanding that relief.

It has become painfully apparent to me that absent such a filing DOGM cannot be persuaded to take appropriate action. Western's repeated requests for action, including its letters of July 25 and July 31, 1995, have accomplished nothing. DOGM has apparently allowed the transfer of the permit to be indefinitely and unjustifiably delayed by endless consideration of Jumbo's future plans for the Mine site, in which Western has no interest. We believe this to have been totally improper, and that any evaluation of such plans should only occur after the transfer of the permit to Jumbo and ASOMA.

I am of course willing to work with you during the next 45 days to see if such a formal filing with the Board can be avoided. However, our time frame is firm, and only the completion of the transfer and the release of Western's bond will preclude our Petition with the Board. Feel free to contact me with any constructive suggestions.

Sincerely,



LEE D. FOREMAN

LDF:ls

cc: H. Michael Keller, Esq.  
D. Wayne Hedburg, Esq.  
James W. Carter, Esq.  
Director, Division of Oil, Gas & Mining